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UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In re

CASH CLOUD, INC.,
dba COIN CLOUD,

Debtor.

Case No. BK-S-23-10423-MKN

Chapter 11

**DEBTOR'S MOTION FOR ENTRY OF
ORDER APPROVING PROCEDURES FOR
REJECTION OF EXECUTORY
CONTRACTS AND UNEXPIRED LEASES
AND DISPOSAL OF CERTAIN PERSONAL
PROPERTY INCLUDING STAY RELIEF
AND/OR ABANDONMENT**

Hearing Date: April 20, 2023

Hearing Time: 10:30 a.m.

Estimated Time for Hearing: 20 Minutes

Cash Cloud, Inc. ("Debtor" or "Cash Cloud"), debtor and debtor in possession in the above-captioned chapter 11 case (the "Chapter 11 Case"), by and through its undersigned counsel, Fox Rothschild LLP, respectfully submits this motion (the "Motion") for entry of an order approving the procedures set forth herein for the rejection of executory contracts and unexpired leases and disposal of certain personal property, including without limitation, relief from the automatic stay for a party who has a secured or lease interest in certain property and/or abandonment of property. This

Motion is made and based on the *Declaration of Christopher Andrew McAlary* (the “McAlary Declaration”) filed in support hereof, the following points and authorities, the papers and pleadings on file with the Court in this Chapter 11 Case, and any oral argument the Court may entertain at the hearing on the Motion.

Dated this 9th day of March, 2023.

FOX ROTHSCHILD LLP

By: /s/ Jeanette E. McPherson

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POINTS AND AUTHORITIES

I. JURISDICTION AND VENUE

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2)(A) and (O).

2. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The statutory basis for the relief requested herein is 11 U.S.C. § 105(a), § 362, § 365(a), and § 554 and Bankruptcy Rules 4001, 6006, 6007, and 9014.

4. Pursuant to Local Rule 9014.2, the Debtor consents to entry of final order(s) or judgment(s) by the bankruptcy judge if it is determined that the bankruptcy judge, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

II. BACKGROUND

A. Debtor’s Filing

1. On February 7, 2023 (the “Petition Date”), the Debtor filed with this Court a voluntary petition for relief under chapter 11 of the Bankruptcy Code.

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2. The Debtor is authorized to operate its business and manage its property as debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

3. An Official Committee of Unsecured Creditors was appointed in this case on or around February 17, 2023.

B. Debtor's Background and Business

4. As described in greater detail in the Omnibus Declaration of Christopher Andrew McAlary in Support of Emergency First Day Motions (the "Omnibus Declaration") [ECF 19], the Debtor was formed as a Nevada corporation for the purpose of providing a platform for customers to buy and sell digital currencies through Digital Currency Machines ("DCMs") distributed across the United States. DCMs are an advanced version of the kiosks commonly referred to as Bitcoin ATMs or BTMs, that enable a consumer to both (a) buy bitcoin as well as 30+ other digital currencies with cash, and (b) sell digital currency for cash. As of December 31, 2022, the Debtor operated approximately 4,800 DCMs, or kiosks ("Kiosk(s)"), throughout the United States and Brazil, installed in some of the largest convenience, grocery and liquor store chains and prestigious malls. See McAlary Declaration ¶ 6.

5. To facilitate the installation of the Kiosks, Cash Cloud entered into numerous contracts (the "Contracts") or leases ("Leases") with various parties ("Counterparty" or "Counterparties") having retail locations, including convenience stores, malls, and enterprise grocery stores. The terms in the Contracts and/or Leases vary. A few Contracts pertain to a Counterparty providing marketing services to the Debtor for the placement of the Kiosks. However, most of the Contracts and/or Leases contain terms permitting Cash Cloud to install a Kiosk at a certain location ("Location") in exchange for compensation being given to the Counterparty. There are thousands of Contracts or Leases, and the nature and amount of compensation varies and is sometimes in the form of a fixed monthly rental payment or a variable portion of the profit of the Kiosk. The Contracts and/or Leases typically have a 3 to a 7-year term, with automatic renewals, unless terminated by either party. And, under certain "master" Contracts and/or Leases, wherein the Contract or Lease governs the installation of Kiosks at multiple, different Locations (as set forth within the exhibits attached thereto), the Contract or Lease contains terms that provide not only for

1 the termination of the master agreement, as a whole, but also for either the Debtor or the
2 Counterparty to terminate certain identified Locations.

3 6. As the Debtor works on restructuring its finances and operations and negotiates with
4 its creditors, and in connection with its efforts to preserve and maximize the value of its bankruptcy
5 estate through the prosecution of this Chapter 11 Case, the Debtor may no longer need to have Kiosks
6 at certain Locations. As such, and to the extent it is not beneficial to the estate for the Debtor to
7 assume and assign Contracts or Leases to a third party, it is likely the Debtor will determine, in the
8 exercise of its business judgment, that certain burdensome Contracts or Leases should be rejected to
9 avoid the Debtor's estate accruing administrative expenses associated with such Contracts or Leases.
10 In addition, the Debtor may determine, in its business judgment, that it no longer needs certain
11 Contracts or Leases (or certain Locations that are part of a Contract or Lease) for its business as a
12 whole.

13 7. Further, if there is property remaining at a Location subject to a rejected Contract or
14 Lease, such as Kiosks or related property (the "Remaining Property"), the Debtor will determine how
15 the Remaining Property should be disposed of, including whether it should be removed, abandoned,
16 sold, or surrendered to a party that has a secured or lease interest in the Remaining Property with the
17 automatic stay terminated. In the event that the Debtor determines that the Remaining Property (if
18 any) should be surrendered to a party that has a secured or lease interest in the Remaining Property
19 and the automatic stay terminated, it will make this determination because the Remaining Property
20 is not necessary for an effective reorganization and there is little to no equity in the Remaining
21 Property. In the event the Remaining Property is determined to be burdensome or of inconsequential
22 value, the Debtor may determine, in its business judgment, that any Remaining Property be
23 abandoned. Accordingly, by this Motion, the Debtor seeks entry of an order authorizing and
24 approving the Rejection Procedures, as defined and set forth below. See McAlary Declaration ¶ 8-
25 12.

26 8. The Debtor believes that the Rejection Procedures will streamline its ability to reject
27 burdensome Contracts and Leases that no longer provide a benefit to the estate, while also
28 providing parties in interest with adequate notice of the rejection of a Contract or a Lease and an

1 opportunity to object to such relief within a reasonable time period. Absent the relief requested
 2 herein, filing a motion and scheduling a hearing for the rejection of each Contract and Lease and
 3 addressing related issues of stay relief and/or abandonment would result in substantial costs to, and
 4 impose administrative burdens on, the Debtor's estate, in addition to the burden such approach
 5 would place on the Court's docket and calendar. As such, the proposed Rejection Procedures are
 6 appropriate and necessary to limit the costs and administrative burdens that otherwise would be
 7 borne by the Debtor's estate. Accordingly, the Debtor requests that the Court approve the Rejection
 8 Procedures and authorize the Debtor to take any and all actions as may be necessary to implement
 9 and effectuate the Rejection Procedures. See McAlary Declaration ¶ 8-12.

10 9. A proposed form of order granting the relief requested in the Motion is attached
 11 hereto as **Exhibit A** (the "Proposed Order").

12 III. THE PROPOSED REJECTION PROCEDURES

13 1. The Debtor requests that the following procedures¹ be authorized and approved in
 14 connection with the rejection of any Contract or Lease, or the rejection of certain Locations that are
 15 part of a "master" Contract or Lease that can be rejected separately, during the course of the
 16 Debtor's Chapter 11 Case:

- 17 a) **Rejection Notice.** The Debtor will file a notice (each a "Rejection Notice")
 18 setting forth the proposed rejection of one or more Contracts and/or Leases,
 19 or certain Locations that are part of a "master" Contract or Lease and that
 20 may be rejected separately from the Contract or Lease as a whole, and will
 21 serve the Rejection Notice *via* overnight delivery service, email, or fax on the
 22 Counterparty (and its counsel, if known) ("Rejection Notice Parties") under
 23 the respective Contract or Lease at the last known address available to the
 24 Debtor.
- 25 b) **Content of Rejection Notice.** The Rejection Notice shall be substantially in
 26 the form attached as Exhibit 1 to the Proposed Order. With respect to the
 27 Contracts and Leases, the Rejection Notice shall set forth the following
 28 information, to the best of the Debtor's knowledge: (1) the name of the
 Counterparty, (2) the address of the Counterparty, and (3) the Location and
 Location ID for the Kiosk(s). All Rejection Notices will be accompanied by a
 copy of the proposed order approving the rejection of the Contracts or Leases
 set forth on the Rejection Notice (each such order, a "Rejection Order"),

¹ Given that the Debtor has already determined that certain Contracts and Leases should be rejected, the Debtor has filed separate omnibus motions for rejection of certain Contracts and Leases.

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- substantially in the form attached to the Rejection Notice as Annex A.
- c) **Objections.** Should a party in interest object to the Debtor's proposed rejection of a Contract or Lease, such objecting party (the "Objecting Party") must file and serve a written objection (an "Objection") so that such Objection is filed with the Court and actually received by the following parties **no later than fourteen (14) calendar days** after the date the Rejection Notice is filed (the "Objection Period"): (1) attorneys for the Debtor, Fox Rothschild LLP (Attn: Brett Axelrod, Esq. and Jeanette McPherson, Esq.), One Summerlin, 1980 Festival Plaza Drive, Suite 700, Las Vegas, Nevada 89135; (2) counsel to the Official Committee of Unsecured Creditors ("UCC"); (3) counsel to Debtor's secured creditors; and (4) United States Department of Justice, Office of the United States Trustee, Region 17, 300 Las Vegas Boulevard South, Suite 4300, Las Vegas, Nevada 89101 (collectively, the "Objection Notice Parties"). Each Objection must state with specificity the grounds for objecting to the proposed rejection of the Contract or Lease, and/or related disposal of the Remaining Property.
- d) **Effects of Failing to File an Objection to a Rejection Notice.** If no Objection to a Rejection Notice is timely filed and served in accordance with paragraph (c) hereof, the Debtor may submit the Rejection Order to the Court providing that the applicable Contract or Lease shall be deemed rejected on the effective date set forth in the Rejection Notice (the "Rejection Effective Date"); *provided, however*, that the Rejection Effective Date shall not be earlier than the date the Debtor files and serves a Rejection Notice. Further, the Debtor will have determined if any Remaining Property should be surrendered with the automatic stay being terminated, and/or the Debtor will have determined if any Remaining Property should be abandoned, and these determinations shall be deemed effective as of the Rejection Effective Date.
- e) **Effects of Filing an Objection to a Rejection Notice.** If a timely Objection to a Rejection Notice is filed and received in accordance with the Rejection Procedures set forth herein, the Debtor shall schedule a hearing on such Objection on no less than seven (7) days' notice to the Objecting Party and the Objection Notice Parties. If the Court upholds the Debtor's determination to reject the applicable Contract or Lease, then the applicable Contract or Lease shall be deemed rejected as requested (i) as of the Rejection Effective Date, or (ii) as otherwise determined by the Court as set forth in any order overruling such Objection. Further, the Debtor will have determined if any Remaining Property should be surrendered with the automatic stay being terminated, and/or the Debtor will have determined if any Remaining Property should be abandoned, and these determinations shall be deemed effective as of the Rejection Effective Date.
- f) **Consent Orders.** Any Objection may be resolved without a hearing by an order of the Court submitted by stipulation by the Debtor and the Objecting Party.
- g) **Deadlines for Filing Claims.** Any affected Counterparty to a rejected Contract or Lease (a "Rejection Claimant"), asserting any Claims arising out of the rejection of Contracts or Leases, shall file a proof of claim on or before the later of (i) the deadline for filing proofs of claims established by the Court in this Chapter 11 Case, or (ii) thirty (30) days after the date of entry of the

applicable Rejection Order. If no proof of claim is timely filed, such Rejection Claimant shall not be treated as a creditor with respect to such claims for voting on any chapter 11 plan in this Chapter 11 Case and shall be forever barred from asserting a claim for rejection damages and from participating in any distributions that may be made in connection with the Debtor's bankruptcy case.

- h) **Treatment of Security Deposits.** If the Debtor has deposited funds with a Counterparty as a security deposit or other arrangement, such Counterparty may not setoff or otherwise use such deposit without an order of the Court or prior agreement by the Debtor.
- i) **Remaining Property.** The Debtor will determine how the Debtor's property at the Location, the Remaining Property, should be disposed of, including whether it should be removed, abandoned, sold, or surrendered to a party that has a secured or lease interest in the Remaining Property. In the event that the Debtor determines that any Remaining Property should be surrendered to a party that has a secured or lease interest in the Remaining Property, the automatic stay will be deemed terminated as of the Rejection Effective Date. In addition, in the event that the Debtor determines that any Remaining Property should be abandoned, the Remaining Property will be deemed abandoned as of the Rejection Effective Date. Questions regarding the disposal of the Remaining Property may be directed to the Debtor at hostrelations@coin.cloud.

2. In connection with the foregoing Rejection Procedures, the Debtor also requests that it be authorized to execute and deliver all instruments and documents and take such other actions as may be necessary or appropriate to implement and effectuate the Rejection Procedures, and that entry of the Proposed Order be without prejudice to the Debtor's right to seek further, other, or different relief regarding the Contracts or Leases.

IV. MEMORANDUM OF LAW

A. **The Debtor's Decision To Reject The Leases and Contracts Should Be Approved**

1. Section 365 of the Bankruptcy Code provides that "the trustee, subject to the court's approval, may assume or reject any executory contract or unexpired lease of the debtor." 11 U.S.C. § 365(a). "Under the Code, most courts have applied a 'business judgment' test to trustees' decisions to assume or reject contracts or leases." 3 Collier on Bankruptcy ¶ 365.03[2] (16th Ed. 2016). "In making its determination, a bankruptcy court need engage in only a cursory review of a debtor-in-possession's decision to reject the contract." Agarwal v. Pomona Valley Med. Group, Inc. (In re Pomona Valley Med. Group, Inc.), 476 F.3d 665, 670 (9th Cir. 2007) (internal punctuation omitted).

2. “[I]n evaluating the rejection decision, the bankruptcy court should presume that the debtor-in-possession acted prudently, on an informed basis, in good faith, and in the honest belief that the action taken was in the best interests of the bankruptcy estate.” Id. at 670. In the Ninth Circuit, a bankruptcy court “should approve the rejection of an executory contract under § 365(a) unless it finds that the debtor-in-possession’s conclusion that rejection would be advantageous is so manifestly unreasonable that it could not be based on sound business judgment, but only on bad faith, or whim or caprice.” Id. (internal punctuation omitted).

3. In general, a debtor must assume or reject an executory contract or unexpired lease in its entirety. A debtor may not pick and choose among contractual provisions, rejecting those it deems burdensome and accepting those it views as beneficial. In re Plitt Amusement Co. of Washington Inc., 233 B.R. 837 (Bankr. C.D. Ca. 1999).

4. Given the extremely large number of Contracts and Leases that t h e Debtor may seek to reject, obtaining Court approval of each rejection would impose unnecessary burdens on the Debtor and the Court, and result in expense to the Debtor’s estate that would correspondingly decrease the economic benefit of rejection. Thus, the Debtor proposes to streamline the process as set forth in the Rejection Procedures, consistent with applicable law, to minimize potential costs to the Debtor’s estate and reduce the burden on the Court’s docket, while protecting Counterparties by providing such parties notice and an opportunity to object to the proposed rejection.

5. Here, the Debtor submits that any Contract or Lease, or any certain Location contained therein, that it seeks to reject pursuant to the Rejection Procedures will be one that is financially burdensome and unnecessary to the Debtor’s operations. Moreover, before rejecting any of the Contracts or Leases, the Debtor will have ensured that they are of inconsequential value and benefit to the Debtor’s estate and the Debtor’s future operations, creditors, or interest holders, are believed to not be marketable given their terms, and constitute an unnecessary drain on the Debtor’s limited resources. See McAlary Declaration ¶ 9. Accordingly, rejection of the Contracts or Leases reflects the Debtor’s exercise of sound business judgment.

B. Rejection Effective As of the Rejection Effective Date

6. This Court has authority to approve the rejection of executory contracts or leases as

of the date of the filing of the Rejection Effective Date. Section 365 of the Bankruptcy Code does not expressly provide whether courts may order rejection to be effective retroactively. However, courts have held that bankruptcy courts may exercise their equitable powers in granting such a retroactive order when they conclude that doing so promotes the purposes of Section 365, and that after balancing the equities of a case, equities weigh in favor the debtor. See, e.g., Pac. Shores Dev., LLC v. At Home Corp. (In re At Home Corp.), 392 F.3d 1064, 1065 (9th Cir. 2004) (affirming order authorizing rejection as of date of filing of motion), cert. denied, 564 U.S. 814 (2005); Thinking Machines Corp. v. Mellon Fin. Servs. Corp. (In re Thinking Machs. Corp.), 67 F.3d 1021, 1028-29 (1st Cir. 1995) (bankruptcy court has power to approve rejection as of date of filing motion); In re Amber's Stores, Inc., 193 B.R. 819, 827 (Bankr. N.D. Tex. 1996)(holding that the lease should be deemed rejected as of the petition date due to the equities of case). Although this caselaw pertains to the rejection of nonresidential real property leases, the rationale contained therein is applicable to executory contracts. The Ninth Circuit in In re At Home Corp. explained that “the equitable authority recognized in Thinking Machines has been imported to contexts other than unexpired nonresidential leases,” citing to Malden Mills Indus., Inc. v. Maroun (In re Malden Mills Indus., Inc.), 303 B.R. 688, 701 (B.A.P. 1st Cir. 2004) and its application of this principle to abandonment of personal property. 392 F.3d at 1070. The Debtor further notes that the Ninth Circuit’s holding in In re At Home Corp., 392 F.3d 1064 (9th Cir. 2004) allowing rejection as of the date of the motion has been found to be undisturbed by the Court’s holding in Roman Catholic Archdiocese of San Juan v. Acevedo Feliciano, ___ U.S. ___, 140 S.Ct. 696 (2020). See In re Player's Poker Club, Inc., 636 B.R. 811 (Bankr. C.D.Cal. 2022).

Based upon the foregoing, this Court has authority to approve the rejection of the Contracts or Leases as of the date of the filing of the Rejection Effective Date.

C. The Debtor’s Decision To Terminate The Automatic Stay And/Or To Abandon Remaining Property, If Made, Should Be Approved

7. In a further effort to streamline this process, if there is Remaining Property at any of these numerous Locations, the Debtor will determine how the Remaining Property should be disposed of, including whether it should be removed, abandoned, sold, or surrendered to a party that

1 has a secured or lease interest in the Remaining Property with the automatic stay being terminated.
 2 See McAlary Declaration ¶ 8-12.

3 8. Section 362(d)(2) of the Bankruptcy Code provides that “[o]n request of a party in
 4 interest and after notice and a hearing, the court shall grant relief from the stay provided under
 5 subsection (a) of this section, such as by terminating, annulling, modifying, or conditioning such
 6 stay— . . . (2) with respect to a stay of an act against property under subsection (a) of this section,
 7 if—(A) the debtor does not have an equity in such property; and (B) such property is not necessary
 8 to an effective reorganization[.]”

9 9. Section 554(a) of the Bankruptcy Code provides that “[a]fter notice and a hearing, the
 10 trustee may abandon any property of the estate that is burdensome to the estate or that is of
 11 inconsequential value and benefit to the estate.” 11 U.S.C. § 554(a). The right to abandon is
 12 virtually unfettered, unless abandonment of the property will contravene laws designed to protect
 13 public health and safety and the property poses an imminent threat to the public’s welfare. See In re
 14 Midlantic Nat’l Bank, 474 U.S. 494, 501 (1986). Neither of these limitations is applicable given the
 15 relevant facts.

16 10. The Debtor submits that if it determines that the Remaining Property (if any) should
 17 be surrendered to a party that has a secured or lease interest in the Remaining Property and the
 18 automatic stay terminated, it will make this determination because the Remaining Property is not
 19 necessary for an effective reorganization and there is little to no equity in the Remaining Property.
 20 Thus, the Debtor’s determination to surrender the Remaining Property to a party who has a secured
 21 or lease interest will reflect the Debtor’s exercise of sound business judgment, taking into account
 22 the best interests of the Debtor, its estate, its creditors and other parties in interest. See McAlary
 23 Declaration ¶ 11. Accordingly, it is requested that if the Debtor determines that the Remaining
 24 Property should be surrendered, that the automatic stay be terminated as of the Rejection Effective
 25 Date pursuant to 11 U.S.C. § 362(d)(2).

26 11. Further, the Debtor submits that if it determines that the Remaining Property (if any)
 27 should be abandoned, it will make this determination because the Remaining Property is either
 28 burdensome to the estate, as removal and storage of the Remaining Property is likely to exceed any

net proceeds from this property, or is of inconsequential value and benefit to the estate. See McAlary Declaration ¶ 12. Thus, the Debtor’s determination to abandon will reflect the Debtor’s exercise of sound business judgment, taking into account the best interests of the Debtor, its estate, its creditors and other parties in interest. See McAlary Declaration ¶ 12. Accordingly, it is requested that if the Debtor determines any Remaining Property should be abandoned, that the Remaining Property shall be deemed abandoned as of the Rejection Effective Date pursuant to 11 U.S.C. § 554.

12. For the foregoing reasons, the Debtor submits that adoption of the Rejection Procedures, including those related to termination of the automatic stay and the abandonment of the Remaining Property, is in the best interest of its estate and creditors and all other parties in interest.

D. The Rejection Procedures Provide Reasonable Notice and Hearing

13. As a procedural matter, Bankruptcy Rule 9014 provides, in part, that “reasonable notice and opportunity for hearing shall be afforded the party against whom the relief is sought.” *See* Fed. R. Bankr. P. 9014(a).² The notice and hearing requirements for contested matters under Bankruptcy Rule 9014 are satisfied if appropriate notice and an opportunity for hearing are given in light of the particular circumstances. *See* 11 U.S.C. § 102(1)(A) (defining “after notice and a hearing” or a similar phrase to mean such notice and an opportunity for a hearing “as is appropriate in the particular circumstances”).

14. The Counterparties will not be prejudiced by the Rejection Procedures because, upon receipt of the Rejection Notice, they will receive notice of the proposed effective date of the rejection and opportunity to object. See, e.g., Pac. Shores Dev., LLC v. At Home Corp. (In re At Home Corp.), 392 F.3d 1064, 1065 (9th Cir. 2004) (affirming order authorizing rejection as of date of filing of motion), cert. denied, 564 U.S. 814 (2005); Thinking Machines Corp. v. Mellon Fin. Servs. Corp. (In re Thinking Machs. Corp.), 67 F.3d 1021, 1028-29 (1st Cir. 1995) (bankruptcy court has power to approve rejection as of date of filing motion); In re Mid Region Petroleum, Inc.,

² Bankruptcy Rule 9014 is made applicable to a motion to reject by Bankruptcy Rule 6006(a), which provides that “[a] proceeding to reject an executory contract or unexpired lease, other than as part of a plan, is governed by Rule 9014.” Fed. R. Bankr. P. 6006(a).

111 B.R. 968, 970 (Bankr. N.D. Okla. 1990) (holding effective date of rejection of leases was the date the trustee gave notice to lessor of intent to reject). The Debtor submits that the Rejection Procedures balance the need for an expeditious reduction of potentially burdensome costs to the Debtor's estate, while providing appropriate notice of the proposed rejection to the Counterparties. The Rejection Procedures are appropriately tailored to minimize potential administrative expenses and maximize the recovery for creditors in this Chapter 11 Case.

E. The Rejection Procedures Comply with Bankruptcy Rule 6006(f), 4001, and 6007

15. Bankruptcy Rule 6006(f), in relevant part, requires that a motion to reject multiple executory contracts or unexpired leases:

- (1) state in a conspicuous place that parties receiving the omnibus motion should locate their names and their contracts or leases listed in the motion;
- (2) list parties alphabetically and identify the corresponding contract or lease;
- ...
- (5) be numbered consecutively with other omnibus motions to assume, assign, or reject executory contracts or unexpired leases; and
- (6) be limited to no more than 100 executory contracts or unexpired leases.

16. The Rejection Procedures satisfy Bankruptcy Rule 6006(f). The clear purpose of Bankruptcy Rule 6006(f) is to protect the due process rights of parties to the Contracts and Leases. Counterparties must be able to locate their Contracts or Leases and readily determine whether their Contracts or Leases are being rejected. Through the Rejection Procedures, the Debtor will comply with all applicable procedural requirements of Bankruptcy Rule 6006(f) when serving the Rejection Notices.

17. The Rejection Procedures satisfy Bankruptcy Rule 4001. Through the Rejection Procedures, the Debtor will comply with all applicable procedural requirements of Bankruptcy Rule 4001 when serving the Rejection Notices.

18. The Rejection Procedures satisfy Bankruptcy Rule 6007(a). Through the Rejection Procedures, the Debtor will comply with all applicable procedural requirements of Bankruptcy Rule 6007(a) when serving the Rejection Notices.

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1 **V. NOTICE**

2 Notice of this Motion has been given by electronic mail or first class mail to the following
 3 parties or their counsel: (a) the Office of the United States Trustee for the District of Nevada; (b)
 4 counsel to the Official Committee of Unsecured Creditors; (c) counsel to Debtor's secured creditors;
 5 (d) counsel to parties who have a lease interest in the Remaining Property; (e) the counterparties to
 6 the Contracts and/or Leases; and (f) all parties that have filed a Rule 2002 Notice Request in the
 7 Chapter 11 Case. In light of the nature of the relief requested, Debtor respectfully submits that
 8 such notice is appropriate and sufficient under the circumstances and that no further notice is
 9 necessary.

10 **VI. CONCLUSION**

11 WHEREFORE, the Debtor respectfully requests entry of an order granting this Motion for
 12 the relief requested herein and such other and further relief as the Court may deem just and
 13 appropriate.

14 Dated this 9th day of March, 2023.

15 **FOX ROTHSCHILD LLP**

16 /s/ Jeanette E. McPherson

17 By: JEANETTE E. MCPHERSON, ESQ.

18 Nevada Bar No. 5423

19 BRETT A. AXELROD, ESQ.

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EXHIBIT 1
PROPOSED ORDER

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Counsel for Debtor

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In re

CASH CLOUD, INC.,
dba COIN CLOUD,

Debtor.

Case No. BK-S-23-10423-MKN

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**ORDER GRANTING DEBTOR'S MOTION
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EXECUTORY CONTRACTS AND
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CERTAIN PERSONAL PROPERTY
INCLUDING STAY RELIEF AND/OR
ABANDONMENT**

Hearing Date: April 20, 2023

Hearing Time: 10:30 a.m.

The Court, having reviewed and considered Debtor's motion (the "Motion") for entry of an order authorizing the Debtor to establish procedures for an orderly, regular process for the rejection of executory contracts and unexpired leases, terminating the automatic stay in favor of a party who

has a secured or lease interest in the Remaining Property, and approving the abandonment of Remaining Property, if the Debtor has made the determination that abandonment is appropriate (the “Rejection Procedures”); and upon consideration of the McAlary Declaration and arguments of counsel; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. § 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided; and it appearing that no other or further notice need be provided; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtor, its estate, its creditors, and all parties in interest, and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and sufficient cause appearing therefor, it is hereby,

ORDERED that the Motion is **GRANTED** in its entirety; and it is further

ORDERED that the Debtor’s Motion is granted to the extent set forth herein as follows:

1. The following Rejection Procedures are authorized and approved:
 - a) **Rejection Notice.** The Debtor will file a notice (each a “Rejection Notice”) setting forth the proposed rejection of one or more Contracts and/or Leases, or certain Locations that are part of a “master” Contract or Lease and that may be rejected separately from the Contract or Lease as a whole, and will serve the Rejection Notice *via* overnight delivery service, email, or fax on the Counterparty (and its counsel, if known) (“Rejection Notice Parties”) under the respective Contract or Lease at the last known address available to the Debtor.
 - b) **Content of Rejection Notice.** The Rejection Notice shall be substantially in the form attached as Exhibit 1 to the Proposed Order. With respect to the Contracts and Leases, the Rejection Notice shall set forth the following information, to the best of the Debtor’s knowledge: (1) the name of the Counterparty, (2) the address of the Counterparty, and (3) the Location and Location ID for the Kiosk(s). All Rejection Notices will be accompanied by a copy of the proposed order approving the rejection of the Contracts or Leases set forth on the Rejection Notice (each such order, a “Rejection Order”), substantially in the form attached to the Rejection Notice as Annex A.
 - c) **Objections.** Should a party in interest object to the Debtor’s proposed rejection of a Contract or Lease, such objecting party (the “Objecting Party”) must file and serve a written objection (an “Objection”) so that such Objection is filed with the Court and actually received by the following parties **no later than fourteen (14) calendar days** after the date the Rejection Notice is filed (the “Objection Period”): (1) attorneys for the Debtor, Fox Rothschild LLP (Attn: Brett Axelrod, Esq. and Jeanette

McPherson, Esq.), One Summerlin, 1980 Festival Plaza Drive, Suite 700, Las Vegas, Nevada 89135; (2) counsel to the Official Committee of Unsecured Creditors (“UCC”); (3) counsel to Debtor’s secured creditors; and (4) United States Department of Justice, Office of the United States Trustee, Region 17, 300 Las Vegas Boulevard South, Suite 4300, Las Vegas, Nevada 89101 (collectively, the “Objection Notice Parties”). Each Objection must state with specificity the grounds for objecting to the proposed rejection of the Contract or Lease, and/or related disposal of the Remaining Property.

- d) **Effects of Failing to File an Objection to a Rejection Notice.** If no Objection to a Rejection Notice is timely filed and served in accordance with paragraph (c) hereof, the Debtor may submit the Rejection Order to the Court providing that the applicable Contract or Lease shall be deemed rejected on the effective date set forth in the Rejection Notice (the “Rejection Effective Date”); *provided, however*, that the Rejection Effective Date shall not be earlier than the date the Debtor files and serves a Rejection Notice. Further, the Debtor will have determined if any Remaining Property should be surrendered with the automatic stay being terminated, and/or the Debtor will have determined if any Remaining Property should be abandoned, and these determinations shall be deemed effective as of the Rejection Effective Date.
- e) **Effects of Filing an Objection to a Rejection Notice.** If a timely Objection to a Rejection Notice is filed and received in accordance with the Rejection Procedures set forth herein, the Debtor shall schedule a hearing on such Objection on no less than seven (7) days’ notice to the Objecting Party and the Objection Notice Parties. If the Court upholds the Debtor’s determination to reject the applicable Contract or Lease, then the applicable Contract or Lease shall be deemed rejected as requested (i) as of the Rejection Effective Date, or (ii) as otherwise determined by the Court as set forth in any order overruling such Objection. Further, the Debtor will have determined if any Remaining Property should be surrendered with the automatic stay being terminated, and/or the Debtor will have determined if any Remaining Property should be abandoned, and these determinations shall be deemed effective as of the Rejection Effective Date.
- f) **Consent Orders.** Any Objection may be resolved without a hearing by an order of the Court submitted by stipulation by the Debtor and the Objecting Party.
- g) **Deadlines for Filing Claims.** Any affected Counterparty to a rejected Contract or Lease (a “Rejection Claimant”), asserting any Claims arising out of the rejection of Contracts or Leases, shall file a proof of claim on or before the later of (i) the deadline for filing proofs of claims established by the Court in this Chapter 11 Case, or (ii) thirty (30) days after the date of entry of the applicable Rejection Order. If no proof of claim is timely filed, such Rejection Claimant shall not be treated as a creditor with respect to such claims for voting on any chapter 11 plan in this Chapter 11 Case and shall be forever barred from asserting a claim for rejection damages and from participating in any distributions that may be made in connection with the Debtor’s bankruptcy case.
- h) **Treatment of Security Deposits.** If the Debtor has deposited funds with a Counterparty as a security deposit or other arrangement, such Counterparty

may not setoff or otherwise use such deposit without an order of the Court or prior agreement by the Debtor.

- i) **Remaining Property.** The Debtor will determine how the Debtor's property at the Location, the Remaining Property, should be disposed of, including whether it should be removed, abandoned, sold, or surrendered to a party that has a secured or lease interest in the Remaining Property. In the event that the Debtor determines that any Remaining Property should be surrendered to a party that has a secured or lease interest in the Remaining Property, the automatic stay will be deemed terminated as of the Rejection Effective Date. In addition, in the event that the Debtor determines that any Remaining Property should be abandoned, the Remaining Property will be deemed abandoned as of the Rejection Effective Date. Questions regarding the disposal of the Remaining Property may be directed to the Debtor at hostrelations@coin.cloud.

2. The form of Rejection Notice attached hereto as **Exhibit 1** is hereby approved.

3. The Debtor is hereby authorized to execute and deliver all instruments and documents, and take such other actions, as may be necessary or appropriate to implement and effectuate the Rejection Procedures as approved by this Order.

4. Entry of this Order is without prejudice to the rights of the Debtor to, among other things and without limitation, seek further, other, or different relief regarding any Contract or Lease pursuant to, among other things, section 365 of the Bankruptcy Code.

5. Entry of this Order is without prejudice to the rights of the Debtor to, among other things and without limitation, seek further, other, or different relief regarding termination of the automatic stay in favor of any party who has a secured or lease interest in the Remaining Property pursuant to section 362 of the Bankruptcy Code.

6. Entry of this Order is without prejudice to the rights of the Debtor to, among other things and without limitation, seek further, other, or different relief regarding the disposal of any Remaining Property pursuant to section 554 of the Bankruptcy Code.

7. Notwithstanding the relief granted herein and any actions taken hereunder, nothing in this Order shall constitute, nor is it intended to constitute: (a) an admission as to the validity, priority, amount or existence of any claim against the Debtor; (b) an admission as to the validity, priority, amount or existence of any claim regarding the Remaining Property; (c) an admission that any Contract or Lease is in fact an executory contract or lease; (d) a waiver of any of the Debtor's rights and defenses, all of which are preserved, including (i) all rights and defenses of the Debtor

with respect to a claim for damages arising as a result of the rejection of any Contract or Lease or with regard to the Remaining Property, including any right to assert an offset, recoupment, counterclaim or deduction, and (ii) all rights of the Debtor's ability to assert at any time that any particular Contract or Lease, or certain Location, is terminated and is no longer an executory contract or unexpired lease; (e) the approval, assumption or adoption, of any agreement, contract, lease, program or policy between the Debtor and any third party under section 365 of the Bankruptcy Code; or (f) a waiver of the Debtor's right to seek retroactive rejection of any Contract or Lease, or certain Location.

8. The Debtor is authorized to execute and deliver all instruments and documents and take such other actions as may be necessary or appropriate to implement and effectuate the Rejection Procedures.

9. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

10. This Court retains jurisdiction with respect to all matters arising from or related to the enforcement and implementation of this Order.

Prepared and Respectfully Submitted by:

FOX ROTHSCHILD LLP

/s/ Jeanette E. McPherson

By: JEANETTE E. MCPHERSON, ESQ.

Nevada Bar No. 5423

BRETT A. AXELROD, ESQ.

Nevada Bar No. 5859

NICHOLAS A. KOFFROTH, ESQ.

Nevada Bar No. 16264

ZACHARY T. WILLIAMS, ESQ.

Nevada Bar No. 16023

1980 Festival Plaza Drive, Suite 700

Las Vegas, Nevada 89135

Counsel for Debtor

1 APPROVED/DISAPPROVED:

2 **OFFICE OF THE UNITED STATES TRUSTEE**

3
4 By: _____

5
6 **CERTIFICATION OF COUNSEL PURSUANT TO LOCAL RULE 9021**

7 In accordance with Local Rule 9021, counsel submitting this document certifies as follows:

- 8 ☐ The Court has waived the requirement of approval in LR 9021(b)(1).
9 ☐ No party appeared at the hearing or filed an objection to the motion
10 ☐ I have delivered a copy of this proposed order to all counsel who appeared at the
11 hearing, any unrepresented parties who appeared at the hearing, and each has
12 approved or disapproved the order, or failed to respond, as indicated below:

Office of the United States Trustee

- 13 ☐ I certify that this is a case under Chapter 7 or 13, that I have served a copy of this
14 order with the motion pursuant to LR 9014(g), and that no party has objected to the
15 form or content of the order.

###

Exhibit 1 (to Rejection Procedures Order)

[Form of Rejection Notice]

FOX ROTHSCHILD LLP
1980 Festival Plaza Drive, Suite 700
Las Vegas, Nevada 89135
(702) 262-6899
(702) 597-5503 (fax)

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Electronically Filed _____, 2023

BRETT A. AXELROD, ESQ.
Nevada Bar No. 5859
JEANETTE E. MCPHERSON, ESQ.
Nevada Bar No. 5423
NICHOLAS A. KOFFROTH, ESQ.
Nevada Bar No. 16264
ZACHARY T. WILLIAMS, ESQ.
Nevada Bar No. 16023
FOX ROTHSCHILD LLP
1980 Festival Plaza Drive, Suite 700
Las Vegas, Nevada 89135
Telephone: (702) 262-6899
Facsimile: (702) 597-5503
Email: baxelrod@foxrothschild.com
jmcpherson@foxrothschild.com
nkoffroth@foxrothschild.com
zwilliams@foxrothschild.com
Counsel for Debtor

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

<p>In re</p> <p>CASH CLOUD, INC., dba COIN CLOUD,</p> <p>Debtor.</p>	<p>Case No. BK-S-23-10423-MKN</p> <p>Chapter 11</p> <p>NOTICE OF REJECTION OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES AND DISPOSAL OF CERTAIN PERSONAL PROPERTY INCLUDING STAY RELIEF AND/OR ABANDONMENT</p>
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TO: The Parties Identified on Schedule 1 Attached Hereto:

PLEASE TAKE NOTICE that on February 7, 2023, Cash Cloud, Inc. (“Debtor”), debtor and debtor in possession in the above-captioned chapter 11 case (the “Chapter 11 Case”), commenced with the United States Bankruptcy Court for the District of Nevada (the “Bankruptcy Court”) a voluntary petition under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”).

PLEASE TAKE FURTHER NOTICE that on [], 2023, the Bankruptcy Court entered an order [ECF __] (the “Rejection Procedures Order”)¹ authorizing the Debtor to use expedited

¹ Capitalized terms used, but not defined, herein shall have the meaning ascribed to such terms in the underlying Motion.

1 procedures for the rejection of certain of the Debtor's executory contracts ("Contract(s)") and
 2 unexpired leases ("Lease(s)"), or certain locations ("Locations") that are part of a "master" Contract
 3 or Lease and that may be rejected separately from the Contract or Lease as a whole, and disposal of
 4 certain property ("Remaining Property"). An electronic copy of the Rejection Procedures Order can
 5 be found at <https://cases.stretto.com/CashCloud> (the "Case Website").

6 **PLEASE TAKE FURTHER NOTICE** that, pursuant to the terms of the Rejection
 7 Procedures Order, the Debtor hereby provides notice of its intent to reject the Contracts and Leases,
 8 or certain Locations that are part of a "master" Contract or Lease and that may be rejected
 9 separately from the Contract or Lease as a whole, identified on **Schedule 1** hereto (each a "Rejected
 10 Contract or Lease") and notice of its intent to dispose of certain Remaining Property, including
 11 without limitation, surrendering the Remaining Property and terminating the automatic stay, and, if
 12 the Debtor so determines, abandonment.

13 **PLEASE TAKE FURTHER NOTICE** that should you object to the Debtor's rejection of a
 14 Rejected Contract or Lease, identified on **Schedule 1** hereto, you must file with the Bankruptcy Court
 15 and serve a written objection (an "Objection") on: (1) proposed attorneys for the Debtor, Fox
 16 Rothschild LLP (Attn: Brett Axelrod, Esq. and Jeanette McPherson, Esq.), One Summerlin, 1980
 17 Festival Plaza Drive, Suite 700, Las Vegas, Nevada 89135; (2) counsel for the Official Committee of
 18 Unsecured Creditors ("UCC"); (3) counsel to Debtor's secured creditors; (4) counsel to parties who
 19 have a lease interest in the Remaining Property; and (5) the United States Department of Justice,
 20 Office of the United States Trustee, Region 17, 300 Las Vegas Boulevard South, Suite 4300, Las
 21 Vegas, Nevada 89101 (collectively, the "Objection Notice Parties") by no later than [____], 2023,
 22 which is fourteen (14) days after the date that the Debtor filed and served this Rejection Notice.

23 **PLEASE TAKE FURTHER NOTICE** that if no Objection is timely filed and served in
 24 compliance with the Rejection Procedures Order, the identified Rejected Contracts and/or Leases,
 25 or certain Locations in those Contracts and/or Leases, will be rejected pursuant to section 365(a) of
 26 the Bankruptcy Code, and the Remaining Property surrendered with the automatic stay terminated
 27 for any party with a secured or lease interest in the Remaining Property, and the Remaining
 28 Property authorized to be abandoned if the Debtor has determined that abandonment is appropriate

1 pursuant to section 554 of the Bankruptcy Code, effective as of the date set forth on **Schedule 1** to
 2 this Rejection Notice or, if no such date is set forth therein, then the date of the Rejection Notice (the
 3 “Rejection Effective Date”).

4 **PLEASE TAKE FURTHER NOTICE** that if an Objection is timely filed and served on the
 5 Objection Notice Parties in compliance with the Rejection Procedures Order, and such Objection
 6 cannot be consensually resolved, the Debtor shall seek a hearing on such Objection on no less than
 7 seven (7) days’ notice to such Objecting Party and the Objection Notice Parties. If such Objection is
 8 overruled by the Bankruptcy Court or withdrawn, the rejection of such Contract or Lease, the
 9 surrender of the Remaining Property (if Debtor has determined surrender is proper) to any party
 10 with a secured or lease interest in the Remaining Property with termination of the automatic stay,
 11 and abandonment of the Remaining Property (if Debtor has determined abandonment is proper),
 12 shall be deemed effective (a) as of the Rejection Effective Date, (b) as otherwise agreed to by the
 13 Objecting Party and the Debtor, or (c) as otherwise determined by the Bankruptcy Court as set forth
 14 in any order overruling such Objection.

15 **PLEASE TAKE FURTHER NOTICE** that pursuant to the terms of the Rejection
 16 Procedures Order, if the Debtor has deposited monies with you as a security deposit or other
 17 arrangement, you may not setoff, recoup or otherwise use such deposit without prior authorization
 18 from the Bankruptcy Court or the prior written consent of the Debtor.

19 **PLEASE TAKE FURTHER NOTICE** that pursuant to the terms of the Rejection
 20 Procedures Order, the Debtor will determine how the Debtor’s property at the Location, the
 21 Remaining Property, should be disposed of, including whether it should be removed, abandoned,
 22 sold, or surrendered to a party that has a secured (or lease) interest in the Remaining Property and
 23 the automatic stay terminated. Questions regarding the Remaining Property may be directed to the
 24 Debtor at hostrelations@coin.cloud.

25 **PLEASE TAKE FURTHER NOTICE** that pursuant to the terms of the Rejection
 26 Procedures Order, for any claim that you may assert against the Debtor as a result of the rejection of
 27 any Rejected Contract or Lease, you must submit a proof of claim for damages arising from such
 28 rejection on or before the later of (i) the deadline for filing proofs of claim established by the

1 Bankruptcy Court in the Debtor's Chapter 11 Case, or (ii) thirty (30) days after the entry of the
 2 Rejection Order. If you do not timely file such proof of claim, you will not be treated as a creditor
 3 with respect to such claim for voting on any chapter 11 plan in the Debtor's Chapter 11 Case and
 4 shall be forever barred from asserting a claim for rejection damages arising from the rejection of the
 5 Rejected Contract or Lease, or from participating in any distributions that may be made in
 6 connection with this Chapter 11 Case.

7 Dated this ____ day of ____, 2023.

8 **FOX ROTHSCHILD LLP**

9 /s/ Jeanette E. McPherson

10 By: JEANETTE E. MCPHERSON, ESQ.

11 Nevada Bar No. 5423

12 BRETT A. AXELROD, ESQ.

13 Nevada Bar No. 5859

14 NICHOLAS A. KOFFROTH, ESQ.

15 Nevada Bar No. 16264

16 ZACHARY T. WILLIAMS, ESQ.

17 Nevada Bar No. 16023

18 1980 Festival Plaza Drive, Suite 700

19 Las Vegas, Nevada 89135

20 *Counsel for Debtor*

FOX ROTHSCHILD LLP
 1980 Festival Plaza Drive, Suite 700
 Las Vegas, Nevada 89135
 (702) 262-6899
 (702) 597-5503 (fax)

Schedule 1 (to Rejection Notice)

Counterparty	Counterparty Address	Kiosk Location	Kiosk Location ID	Rejection Effective Date

Annex A (to Rejection Notice)

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FOX ROTHSCHILD LLP
1980 Festival Plaza Drive, Suite 700
Las Vegas, Nevada 89135
(702) 262-6899
(702) 597-5503 (fax)

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Nevada Bar No. 16264
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Email: baxelrod@foxrothschild.com
jmcpherson@foxrothschild.com
nkoffroth@foxrothschild.com
zwilliams@foxrothschild.com

Counsel for Debtor

UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEVADA

In re

CASH CLOUD, INC.,
dba COIN CLOUD,

Debtor.

Case No. BK-S-23-10423-MKN

Chapter 11

**ORDER APPROVING THE REJECTION OF
EXECUTORY CONTRACTS AND UNEXPIRED
LEASES AND DISPOSAL OF CERTAIN
PERSONAL PROPERTY INCLUDING STAY
RELIEF AND/OR ABANDONMENT**

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Pursuant to and in accordance with the *Order Granting Debtor's Motion For Entry Of Order Approving Procedures For Rejection Of Executory Contracts And Unexpired Leases And Disposal Of Certain Personal Property Including Abandonment* [ECF __] (the "Rejection Procedures Order")¹; and the Court having jurisdiction over this matter pursuant to 28 U.S.C. §157 and 1334; and it appearing that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and it appearing that venue of these cases and this matter is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Debtor having properly filed and served a "Notice Of Rejection Of Executory Contracts And Unexpired Leases And Disposal Of Certain Personal Property Including Stay Relief And/Or Abandonment" [ECF __] (the "Rejection Notice") in accordance with the terms of the Rejection Procedures Order in respect to the rejection of the executory contracts (the "Contracts") and/or unexpired leases ("Leases") set forth on **Exhibit 1** hereto and to the disposal of property at the location (the "Remaining Property"); and no timely objections having been filed; and it appearing that due and adequate notice of the Rejection Procedures Order and the Rejection Notice has been given, and that no other or further notice need be given; and the Court having determined that the rejections provided for herein are an appropriate exercise of the Debtor's business judgment; and good and sufficient cause appearing therefor, it is hereby **ORDERED**:

1. The Contracts and Leases listed on **Exhibit 1** hereto are hereby rejected effective as of the dates set forth for such Contracts and Leases listed on Exhibit 1 hereto (the "Rejection Effective Date").

2. If the Debtor has made the determination to surrender the Remaining Property, that the automatic stay is terminated for any party who holds a secured or lease interest in the Remaining Property as of the Rejection Effective Date.

3. If the Debtor has made the determination that the Remaining Property should be abandoned, that the Remaining Property is hereby abandoned effective as of the Rejection Effective Date.

4. Notwithstanding the relief granted herein and any actions taken hereunder, nothing in

¹ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Rejection Procedures Order.

1 this Order shall constitute, nor is it intended to constitute: (a) an admission as to the validity,
 2 priority, amount or existence of any claim against the Debtor; (b) an admission as to the validity,
 3 priority, amount or existence of any claim regarding the Remaining Property; (c) an admission that
 4 any Contract or Lease is in fact an executory contract or lease; (d) a waiver of any of the Debtor's
 5 rights and defenses, all of which are preserved, including (i) all rights and defenses of the Debtor
 6 with respect to a claim for damages arising as a result of the rejection of any Contract or Lease or
 7 with regard to the Remaining Property, including any right to assert an offset, recoupment,
 8 counterclaim or deduction, and (ii) all rights of the Debtor's ability to assert at any time that any
 9 particular Contract or Lease, or certain Location, is terminated and is no longer an executory
 10 contract or unexpired lease; (e) the approval, assumption or adoption, of any agreement, contract,
 11 lease, program or policy between the Debtor and any third party under section 365 of the
 12 Bankruptcy Code; or (f) a waiver of the Debtor's right to seek retroactive rejection of any Contract
 13 or Lease, or certain Location.

14 5. If any affected counterparty subject to this Order (a "Rejection Claimant") asserts a claim
 15 or claims against the Debtor and its estate arising from the rejection of the Contracts and Leases, such
 16 Rejection Claimant shall submit a proof of claim on or before the later of (a) the deadline for filing proofs
 17 of claims established by the Court in this Chapter 11 Case, or (b) thirty (30) days after the date of entry of
 18 this Order. If no proof of claim is timely filed, such Rejection Claimant shall not be treated as a creditor
 19 with respect to such claims for voting on any chapter 11 plan in this Chapter 11 Case and shall be forever
 20 barred from asserting a claim for rejection damages and from participating in any distributions that may
 21 be made in connection with the Debtor's bankruptcy cases.

22 6. The Debtor is authorized to execute and deliver all instruments and documents and
 23 take such other actions as may be necessary or appropriate to implement and effectuate the terms of
 24 this Order and the rejections without further order from this Court.

25 ///

26 ///

27 ///

28 ///

7. This Court shall retain exclusive jurisdiction and power to resolve any dispute arising from or related to this Order.

Prepared and Respectfully Submitted by:

FOX ROTHSCHILD LLP

/s/ Jeanette E. McPherson

By: JEANETTE E. MCPHERSON, ESQ.

Nevada Bar No. 5423

BRETT A. AXELROD, ESQ.

Nevada Bar No. 5859

NICHOLAS A. KOFFROTH, ESQ.

Nevada Bar No. 16264

ZACHARY T. WILLIAMS, ESQ.

Nevada Bar No. 16023

1980 Festival Plaza Drive, Suite 700

Las Vegas, Nevada 89135

Counsel for Debtor

APPROVED/DISAPPROVED:

OFFICE OF THE UNITED STATES TRUSTEE

By: _____

###

FOX ROTHSCHILD LLP
1980 Festival Plaza Drive, Suite 700
Las Vegas, Nevada 89135
(702) 262-6899
(702) 597-5503 (fax)

[Form of Exhibit 1 (to Rejection Order)]

Counterparty	Counterparty Address	Kiosk Location	Kiosk Location ID	Rejection Effective Date